April 14, 2014

Antero Resources Operations and Firm Transportation Update

DENVER, April 14, 2014 /PRNewswire/ --

- First quarter 2014 average net daily gas equivalent production is estimated to be 783 to 787 MMcfe/d, a 105% increase over the prior year quarter and 16% sequentially
- First quarter 2014 average net daily liquids production is estimated to be 16,000 to 16,500 Bbl/d, a 580% increase over the prior year quarter and 45% sequentially
- First quarter 2014 average realized natural gas price before hedging is estimated to be $5.02 to $5.06 per Mcf, an approximate $0.08 to $0.12 premium to NYMEX after Btu upgrade; average natural gas equivalent price including NGLs, oil and hedges is estimated to be $5.76 to $5.80 per Mcfe, a 10% increase compared to the first quarter of 2013
- First 15 Marcellus Shale wells with shorter stage length (SSL) completions had an average 180-day production rate of 8.1 MMcfe/d, 25% above the Company's non-SSL reserve report type curve
- Latest 9 Utica Shale wells had an average 30-day production rate of 15.3 MMcfe/d in ethane rejection (50% liquids)
- Utica Condensate and Highly-Rich Gas/Condensate type curves and regimes were revised downward based on recent unconstrained production history
- Second Utica compressor station was recently placed in service, resulting in a combined 240 MMcf/d of Antero-committed compression capacity in Ohio
- Firm transportation and firm gas sales were increased to an average 2.6 Bcf/d in 2016 (assuming 1,000 Btu gas)
- Entered into an agreement to be the anchor supplier to the planned Ascent ethane cracker project in West Virginia with 30,000 Bbl/d ethane commitment
- Entered into an agreement to be the anchor shipper on the proposed Mariner East II pipeline and export project in Pennsylvania with 51,500 Bbl/d NGL commitment

Antero Resources (NYSE: AR) ("Antero" or the "Company") announced today recent operational highlights and an increase in its firm transportation position.

Operating Update

All operational figures are as of the date of this release unless otherwise noted.

Antero's net daily production for the first quarter of 2014 is estimated to average 783 to 787 MMcfe/d, including 16,000 to 16,500 Bbl/d of liquids (12% liquids). The midpoint of the first quarter 2014 estimated production represents an organic production growth rate of 16% and 105% from the fourth quarter of 2013 and first quarter of 2013, respectively, despite severe winter weather and challenging operating conditions during the quarter. The midpoint of the first quarter 2014 estimated liquids production represents an organic production growth rate of 45% and 580% from the fourth quarter of 2013 and first quarter of 2013, respectively. The Company has completed a combined 266 horizontal wells in the Marcellus Shale and Utica Shale since commencing drilling operations in Appalachia in 2009.

Antero's average realized natural gas price before hedging for the first quarter of 2014 is estimated to be $5.02 to $5.06 per Mcf, a 2% premium to the NYMEX average for the period. Approximately 45% of Antero's first quarter 2014 natural gas revenue was realized at the Columbia Gas Transmission (TCO) index and the remaining natural gas revenue was realized at various other index pricing points including Dominion South, TETCO M2 and NYMEX. The midpoint of the estimated realized gas price before hedging represents a $0.10 premium to NYMEX, at the high end of the Company's 2014 guidance of a $0.00 to $0.10 premium.

Antero's average realized Y-grade C3+ NGL price for the first quarter of 2014 is estimated to be $60.00 to $62.00 per barrel, or an average of approximately 62% of the NYMEX WTI oil price average for the period, and the average realized oil price is estimated to be $87.00 to $89.00 per barrel. Average natural gas equivalent price including NGLs and oil, but excluding hedge settlements, is estimated to be $5.78 to $5.82 per Mcfe.

Antero's average realized natural gas price for the first quarter of 2014 including hedges is estimated to be $5.00 to $5.04 per Mcf, a decrease of approximately 2% as compared to the first quarter of 2013. Average natural gas equivalent price including NGLs, oil and hedge settlements is estimated to be $5.76 to $5.80 per Mcfe, an increase of approximately 10% as compared to the first quarter of 2013 due to the significant increase in liquids production. For the first quarter of 2014, Antero realized estimated hedging losses of approximately $1.1 million, or $0.02 per Mcf, due to the sharp rise in natural gas prices this past winter.

Commenting on Antero's estimated first quarter 2014 results and firm transportation update, Paul Rady, Antero's Chairman of the Board and CEO, said, "Our estimated first quarter results demonstrate Antero's positive momentum and high growth profile with over 100% production growth compared to the prior year quarter. Additionally, our forward-looking integrated strategy has resulted in the accumulation of an extensive portfolio of firm takeaway capacity and firm sales both for natural gas and NGLs. This portfolio results in diversified exposure to index prices in Appalachia, the Midwest and the Gulf Coast. It also gives Antero the ability to sustain high growth well into the future. The midpoint of our 2014 guidance targets 80% production growth compared to the prior year. Additionally, now that we have incremental firm transportation capacity in hand, we are targeting compound annual growth in net production of 45% to 50% in 2015 and 2016."

Marcellus Shale — Antero utilized shorter stage length completions on all of its Marcellus wells during the first quarter of 2014. Antero continues to be encouraged by its SSL well results. To date, the Company has completed and placed on line 38 Marcellus wells utilizing

SSL completions that have at least 30 days of production history. The various actual average production rates are compared to the non-SSL reserve report type curve in the table below:

	SSL vs Non-SSL Average Rate Comparison (MMcfe/d)		
	30-day rate	**90-day rate**	**180-day rate**
SSL Well Count	38	23	15
SSL Average Rate – MMcfe/d	11.3	9.0	8.1
1.5 Bcf/1,000' Type Curve Average Rate – MMcfe/d	8.7	7.5	6.5
SSL % Rate Improvement	30%	20%	25%

The 15 wells that have been on line for at least 180 days are 25% above Antero's 1.5 Bcf per 1,000 feet of lateral non-SSL type curve. The average well cost for an SSL well, defined as a well with stage lengths less than 225 feet, is approximately 10% to 15% higher than a comparable non-SSL well with an average stage length of 350 feet.

Antero is currently operating 15 drilling rigs in the Marcellus Shale play. The Company has 79 gross (75 net) horizontal wells either in the process of drilling, completing or waiting on completion in the Marcellus. Antero currently has three dedicated frac crews and five spot frac crews working in West Virginia.

During the first quarter of 2014, Antero added approximately 9,000 net acres and currently holds approximately 354,000 net acres in the southwestern core of the Marcellus play. Approximately 27% of this net acreage was associated with proved reserves and approximately 8% with proved developed producing reserves at year-end 2013. Additionally, approximately 70% of the leasehold is prospective for processable rich gas assuming an 1100 Btu cutoff.

Marcellus Processing Update

Antero currently has access to a total of 600 MMcf/d of cryogenic processing capacity at the MarkWest Sherwood processing facility located in Doddridge County, West Virginia. Antero has committed to three additional 200 MMcf/d cryogenic processing plants, Sherwood IV, V and VI. Sherwood IV is expected to go on line in the third quarter of 2014, Sherwood V is expected to go on line in the fourth quarter of 2014, and Sherwood VI is expected to go on line in the second quarter of 2015. These commitments provide Antero access to a total of 1.2 Bcf/d of Marcellus cryogenic processing capacity. Ethane is currently being rejected at the processing facility and left in the gas stream.

Utica Shale - Since the fourth quarter operations update on January 27, 2014, the Company has completed and placed on line nine additional wells in the Utica that have at least 30 days of production history. Eight of the nine additional wells are located in the 1250 to 1300 Btu regime and had an average 30-day production rate (in ethane rejection) of 14.8 MMcfe/d (52% liquids), representing a 58% improvement over the average 30-day production rate of the five previously disclosed wells in the same Btu regime of 9.4 MMcfe/d (36% liquids). One of the nine additional wells is located in the new 1225 to 1250 Btu regime and had a 30-day production rate (in ethane rejection) of 19.0 MMcfe/d (36% liquids), representing a 36% improvement over the 30-day production rate of the one previously disclosed well in the same Btu regime of 14.0 MMcfe/d (23% liquids).

Antero is currently operating 5 drilling rigs in the Utica Shale play. The Company has 18 gross (13 net) horizontal wells either in the process of drilling, completing or waiting on completion. Antero currently has one full time dedicated frac crew and one spot crew working in Ohio.

During the first quarter of 2014, Antero added approximately 3,000 net acres and currently holds approximately 108,000 net acres in the core of the Utica Shale play. Approximately 6% of this net acreage was associated with proved reserves and approximately 3% with proved developed producing reserves at year-end 2013. Additionally, approximately 75% of the leasehold is prospective for processable rich gas assuming an 1100 Btu cutoff.

Utica Type Curve Revisions and New Regime Delineation

As Antero has further delineated its Utica position, the Company has divided its acreage into five different type curve regimes, based on Btu content and estimated ultimate recoveries (EURs). This compares to the previous methodology in which Antero divided its acreage into four different type curve regimes. Based on additional production history, Antero has divided the Highly-Rich Gas/Condensate regime, previously spanning the 1250 to 1300 Btu range, and the Highly-Rich Gas regime, previously spanning the 1200 to 1250 Btu range, into three regimes instead of two. The new regimes are defined as Condensate (1250 to 1300 Btu), Highly-Rich Gas/Condensate (1225 to 1250 Btu) and Highly-Rich Gas (1200 to 1225 Btu).

The EUR/1,000' of lateral assumption has been adjusted downward by 31% to 1.1 Bcfe/1,000' in the Condensate regime to reflect lower expected recoveries of condensate and rich gas based on several months of relatively unconstrained production. Early in the first quarter of 2014, Antero gained access to the first 120 MMcf/d of third-party operated compression. This compression allowed for normal operating pressure and unconstrained production history. The EUR assumption in the new Highly-Rich Gas/Condensate regime is 1.9 Bcfe/1,000' or 34% below the previous assumption for this area which was previously a subset of the Highly-Rich Gas regime. This regime is considered a transition zone between the Highly-Rich Gas regime and the Condensate regime. While the Company has seen some encouraging early results, there is still uncertainty regarding EURs in the Highly-Rich Gas/Condensate regime due to limited well population and limited production history. The Company has undertaken several initiatives in order to improve the ultimate recovery of wells located in the Condensate and the Highly-Rich Gas/Condensate regimes, including shorter stage lengths, restricted choke pilots and artificial lift measures.

There are no material changes to the Highly-Rich Gas (1200 to 1225 Btu), the Rich Gas (1100 to 1200 Btu) or the Dry Gas (less than 1100 Btu) regimes. Please refer to page 24 of the April Company Presentation on Antero's website for revised Utica well assumptions at www.anteroresources.com. The new EUR regime assumptions are summarized below.

EUR Regime	Condensate	Highly-Rich Gas/Condensate	Highly-Rich Gas	Rich Gas	Dry Gas
Btu Range	**1250-1300**	**1225-1250**	**1200-1225**	**1100-1200**	**<1100**
EUR (Bcfe):	7.4	13.3	19.9	18.5	16.6
EUR (MMboe):	1.2	2.2	3.3	3.1	2.8
% Liquids:	35%	26%	21%	14%	0%
Lateral Length (ft):	7,000	7,000	7,000	7,000	7,000
Stage Length (ft):	240	240	240	240	240
Well Cost ($MM):	$11.0	$11.0	$11.0	$11.0	$11.0
Bcfe/1,000':	1.1	1.9	2.8	2.6	2.4

Gross Locations (Undeveloped):	193	75	91	180	211

Commenting on the Utica Shale, Glen Warren, President and CFO, said "The downward type curve revision in our Condensate and Highly-Rich Gas/Condensate regimes affects 268 or approximately 6% of our total 4,843 gross undrilled 3P locations. We have maintained since our first Utica completions that EURs in the condensate heavy areas would be less predictable than rich gas and dry gas areas due to retrograde condensate challenges. Because the Condensate and Highly-Rich Gas/Condensate regimes provide Antero with significant exposure to wellhead condensate and highly-rich processable gas, we plan to continue developing these areas as we adjust completions and apply various production enhancement measures. We are seeing improvement in 30-day rates in the condensate heavy areas but we need more production history to judge whether these improved results are sustainable. "

Utica Compression Update

A second third party owned and operated compression and condensate stabilization facility was recently placed in service resulting in total Antero-dedicated compression capacity of 240 MMcf/d and total condensate stabilization capacity of 11,000 Bbl/d. A third compression station and condensate stabilization facility is expected to start up in the third quarter of 2014. Antero continues to lay both low-pressure and high-pressure gathering pipelines to connect the wells to compression and transport its production to the MarkWest Seneca processing complex.

Firm Transportation and Firm Sales

Antero has entered into firm transportation agreements with various pipelines and firm sales agreements with various counterparties who hold firm transportation capacity in order to facilitate the delivery of its production to preferred markets and diversify its exposure to basis concentration risk. The firm transportation agreements generally have a term of ten to thirty years and include fixed and variable cost components referred to as demand and commodity charges, respectively. The firm sales agreements are sales to other firm shippers, are typically two to five years in term, are settled on an agreed-to price based on a local index, and do not involve demand or commodity charges.

Natural Gas

On April 14, 2014, Kinder Morgan Energy Partners, L.P. announced that KMP unit Tennessee Gas Pipeline Company ("TGP") awarded Antero Resources 100% of the capacity offered in TGP's binding open season for its proposed Broad Run Flexibility ("BRF") and Broad Run Expansion ("BRE") Projects located in West Virginia. The BRF Project provides 590,000 MMBtu/d of firm transportation capacity from TGP's Broad Run Lateral in TGP Zone 3 to delivery points along the Gulf Coast. The anticipated in service date of the BRF Project is November 1, 2015. The BRE Project provides an additional 200,000 MMBtu/d of firm transportation capacity on the same capacity path to the Gulf Coast. The anticipated in service date of the BRE Project is November 1, 2017. The term of this agreement is 15 years and provides Antero with the ability to access Gulf Coast pricing hubs as well as international LNG markets.

Further, Antero successfully bid on an additional 600,000 MMBtu/d of firm gas transportation directed to the Gulf Coast. The primary delivery point for this firm transportation capacity is located near growing Gulf Coast petrochemical demand and the future LNG export corridor. In the near term, this new firm capacity gives Antero the option to redirect gas from its Midwest-directed capacity to Gulf Coast pricing when commodity prices are more favorable than Midwest pricing. Should Antero elect not to redirect this gas, this firm capacity will likely be utilized as release capacity to transport third party gas out of the constrained Northeast area offsetting Antero's firm transportation costs associated with this capacity. In the longer term, Antero ultimately expects to link to this capacity by committing volumes either to existing east to west pipelines or support a new-build project connecting Antero's Utica Shale to this new firm transportation. In the latter case, the 600,000 MMBtu/d of firm transportation will be incremental to Antero's firm transportation portfolio from the Utica Shale to the Gulf Coast.

Below is a summary schedule of Antero's average annual firm transportation and sales volumes for each of the years presented.

	2014 – Average MMbtu/d	2015 – Average MMbtu/d	2016 – Average MMbtu/d	Pricing Region
Firm Transportation				
Columbia	403,000	595,000	582,000	Appalachia or Gulf Coast
REX/Other	306,000	600,000	600,000	Midwest or Gulf Coast
Tennessee	–	100,000	590,000	Gulf Coast
Other Regional	395,000	615,000	625,000	Appalachia
Firm Sales	250,000	240,000	223,000	Appalachia, NYMEX
Total Firm Commitments	**1,354,000**	**2,150,000**	**2,620,000**	

By 2016, the above firm transportation portfolio provides Antero the ability to direct 49% of its production to the Gulf Coast, 28% to Appalachia and 23% to Midwest pricing, including Chicago and Detroit. Antero's all-in average firm transportation and firm sales cost per MMbtu assuming full utilization, including both demand and commodity charges, is $0.31, $0.32 and $0.42 for 2014, 2015 and 2016, respectively. The firm transportation portfolio, based on current futures pricing and differentials, would result in an approximate $0.15 per MMbtu basis differential improvement in its 2016 realized prices compared to 2014 realized prices.

NGLs

On March 26, 2014, Antero signed an agreement to become the anchor supplier for the planned Ascent petrochemical complex to be located near Parkersburg, West Virginia. Under the agreement, Antero intends to provide 30,000 Bbl/d of ethane which represents almost half of the volume required to operate the Ascent ethane cracker. This agreement is contingent upon Ascent reaching a final investment decision once the multi-year feasibility analysis is completed and a construction decision has been made.

Antero recently committed to a 10 year transport, terminal and storage agreement with Sunoco Logistics Partners LP (NYSE: SXL) on its Mariner East II Project. Subject to the outcome of the binding open season currently underway and all of the necessary regulatory approvals, the Mariner East II pipeline and export project will connect the NGL resources in the Marcellus and Utica Shale to Sunoco's existing infrastructure and international port at its

Marcus Hook facility near Philadelphia. Mariner East II is expected to be operational in early 2016. Under the agreement, Antero will be an anchor shipper and have firm transportation of 51,500 barrels per day (11,500 barrels of ethane, 28,000 barrels of propane and 12,000 barrels of butane). Antero will have the ability, through the Marcus Hook facility, to market ethane, propane and butane to local markets in the Northeast as well as export product to international markets. These markets are currently paying a premium price relative to Appalachian prices.

Subject to the finalization of the agreements above, combined with the Company's previously reported 20,000 Bbl/d firm transportation contract on the ATEX pipeline, Antero will have access to 101,500 barrels per day of NGL takeaway capacity. This capacity is comprised of 61,500 barrels per day of ethane takeaway, 28,000 barrels per day of propane takeaway and 12,000 barrels per day of butane takeaway to diversified markets both domestic and international.

Capital Spending

Antero's total capital expenditures for the three months ended March 31, 2014 are estimated to be $725 million to $745 million, including drilling and completion costs of $490 million to $495 million, gathering and compression costs of $110 million to $115 million, fresh water distribution project costs of $57.5 million to $62.5 million, leasehold acquisition costs of $57.5 million to $62.5 million and approximately $10 million on other capital expenditures. During the quarter, due to the success of Antero's infill acreage leasing efforts, average drilled lateral length compared to budget increased 2%. The successful acreage adds also had the effect of increasing the average working interest on wells drilled during the quarter from the budgeted 95% to 97%.

Antero has increased its 2014 capital budget by $150 million to $2.75 billion. The budget has been increased for additional gathering and compression projects to be built by the Company including two compressor stations in the Utica Shale as well as one compressor station and a 15 mile high pressure gathering line accessing rich gas production in the Marcellus Shale. The additional compression and gathering assets will be included in the contemplated master limited partnership offering involving Antero's midstream assets.

Antero Resources is an independent oil and natural gas company engaged in the acquisition, development and production of unconventional oil and liquids-rich natural gas properties located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. The Company's website is located at www.anteroresources.com.

This release includes "forward-looking statements". Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Antero's control. All statements, other than historical facts included in this release, are forward-looking statements. All forward-looking statements speak only as of the date of this release. Although Antero believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that these plans, intentions or expectations will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements.

Antero cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the

Company's control, incident to the exploration for and development, production, gathering and sale of natural gas, NGLs and oil. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating natural gas and oil reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under the heading "Item 1A. Risk Factors" in Antero's Annual Report on Form 10-K for the year ended December 31, 2013.

Logo - https://photos.prnewswire.com/prnh/20131101/LA09101LOGO

SOURCE Antero Resources